

### **REMARKS**

Initially, concerning a very minor matter, claim 19 was not listed on the "Office Action Summary" but is still active as noted in the Office Action on page 3.

Concerning the "Oath or Declaration", attached as Exhibit "A" to this amendment is the original Declaration of the inventors, Norman Yamamoto, and Adam G. Bratner. From MPEP Section 706.07h, it is understood that no new Declaration by the inventors is required. Attached as Exhibit "B" to this amendment is a Declaration of Jay Sato which is a Declaration of the type authorized in 37CFR 1.132, bringing out factors such as commercial success and short comings of the prior art. The Examiner's attention is respectfully directed to the substantive facts set forth in this Declaration by Jay Sato, a person skilled and knowledgeable in the field. It is particularly noted that Exhibit B is not an original Declaration and Mr. Sato is not an inventor but is a person with extensive experience in the field.

### **REJECTION BASE ON PRIOR ART**

In the Office Action, all claims were rejected as unpatentable over five references, Yamamoto (6,206,602), Walters (5,261,701), Brown (6,364,559), Wilson (5,590,911) and Wyant (4,991,767).

In present case, applicants were the first to perceive a problem and to and to develop a solution to the problem, and this is a classical type of fact situation which gives rise to patentability, as developed by the U.S. Supreme Court in Eibel Process Co. v. Minnesota and Ontario Paper Co., 261 US 45 (1923).

In the present case, the inventors recognized the problem posed by the cover view patents such as Yamamoto 6,206,602 (cited in the introduction of the present application) in that it was difficult to insert visual inserts into the three sided pocket of Yamamoto type pockets. Further, the present inventors went on to devise a two-sided pocket construction located on the inside of the transparent cover which solved the problem.

In addition, with the pocket being at least co-extensive with the open area of the frame on the transparent front cover, the visual insert is held positively in the proper location.

The prior art references do not ever recognize the problem, much less the solution, so there can be no valid anticipation:

Under the new patent code, 37 USC 103, note that it is the invention "as a whole" which is the criteria for patentability, and the phrase "as a whole" has been interpreted to include the discovery of the problem as well as the solution.

It is suggested in the Office Action that the claims can be anticipated by combining the Yamamoto and the Walters patents. However, the Walters patent is directed to an expansion pocket where the securing arrangements for the pockets are expansion type securing zones, so the pockets can easily expand. There is no transparent cover, and no visual insert to match a frame on the cover.

It is only through applicants' teachings, that the proposed combination could be made, and this clearly represents impermissible hindsight reconstruction of the references.

With regard to the use of "hindsight", or the use of the applicant's teachings to combine prior art, the courts have universally condemned such specious combinations and have upheld the validity of patents or claims of patents in which such hindsight was employed to combine the references. Notable among the decisions relating to the subject matter is the decision of the Supreme Court of the United States in the case of Diamond Rubber Co. of New York v. Consolidated Rubber Tire Co., 220 U.S. 428, 31 S. Ct. 444 (1911). In this case the Supreme Court stated "Many things, and the patent law abounds in illustrations, seem obvious after they have been done, and 'in the light of the accomplished result,' it is often a matter of wonder how they so long 'eluded the search of the discoverer and set at defiance the speculations of inventive genius'. . . . Knowledge after the event is always easy, and problems once solved present no difficulties, indeed may be represented as never having had any . . ." Id. at 434-35, 31 S. Ct. at 447. The Supreme Court then went on to uphold the patent under consideration.

In a similar vein, the Court of Customs and Patent Appeals stated in the case of In re Kamm and Young, 172 U.S.P.Q. 298 (C.C.P.A. 1972), that the basic mandate inherent in 35 U.S.C. § 103 is that piecemeal reconstruction of prior art patents in the light of applicant's disclosure shall not be basis for holding of obviousness. Similarly, in

the case of Ex Parte Lange, 72 U.S.P.Q. 90, 91 (C.C.P.A. 1947), the Court said, "It seems to use that the Examiner is using appellant's disclosure for the suggestion of the combination since there is no suggestion in any of the patents for their combination in the manner claimed by applicant. The cases of Ex Parte Myerson, 72 U.S.P.Q. 49 (C.C.P.A. 1946), and Ex Parte Gary, 76 U.S.P.Q. 224 (C.C.P.A. 1947), are to the same effect. Two other cases decided by the C.C.P.A. in which hindsight was condemned are In re Stephens, Wenzel, and Browne, 145 U.S.P.Q. 656 (C.C.P.A. 1965), and In re Leonor, 158 U.S.P.Q. 20 (C.C.P.A. 1968). In the Stephens case, the Court stated that "References may not be combined indiscriminately and with guidance from applicant's disclosure to show that claims are unpatentable." 145 U.S.P.Q. at 657. In the Leonor case, the court dismissed the examiner's rejection of the claims in suit as "hindsight reconstruction of prior art" and disapproved of the board's affirmance of that rejection on the basis that it "violates [the] intent and spirit of 35 U.S.C. § 103." 20 U.S.P.Q. at 20-21. In Leonor, the court said that the issue is "whether teachings of prior art would of themselves, and without benefit of applicant's disclosure, suggest [a process] which would make claimed invention obvious..." (emphasis court's). Id. at 21.

The Court of Appeals for the Federal Circuit has been equally strong in its condemnation of "hindsight" or similar rejections. Thus, for example, in ACS Hospital System, Inc. v. Montefiore Hospital, 221 U.S.P.Q. 929 (Fed. Cir. 1984), the Federal Circuit reversed a holding of invalidity because there was no teaching to combine the references. Similarly, the Federal Circuit, in W.L. Gore Associates, Inc. v. Garlock, Inc., 220 U.S.P.Q. 303, 313 (Fed. Cir. 1983), referenced the "insidious effect of a hindsight syndrome wherein that which only the inventor taught is used against its teacher, " and condemned this type of rejection or holding of unpatentability.

Now, turning to page 7 of the Office Action regarding claims 1 and 4, it is asserted that it would be obvious to use transparent materials for the cover (presumably of the Walters patent). However when a unique result and a co-action is achieved by the combination of the transparent cover and frame, with the special matching size pocket, this is well beyond the mere or routine change of material, and the claims as amended are clearly patentable over the cited prior art.

On page 7 of the Office Action the Office Action goes on to summarily deal with claim 6, with claims 5, 11 and 24 and with claims 25 – 28 alleging that the positive limitations of these claims would only involve “routine skill in the art”, relative to re-arranging parts, or the inclusion of the computer structure, or the size of the pocket.

In regard to these rejections, it is respectfully requested that prior art references disclosing the supposed matters be explicitly disclosed.

This request is in accordance with the decision of in re Lee, 61 USPQ 1430, where the Federal Circuit Court stated that rejections based on “General Knowledge and Conclusory Statements” are improper, and that references should be cited so that an applicant may be specifically informed of the asserted prior art.

Thus for example, while images on computer monitors are known, of course, this does not mean that applicant’s specific system is anticipated. Note that the claims call for apparatus to display the binder cover frame, to permit preparation of a mating insert. It is respectfully suggested that the mere assertion that a computer could perform such an operation is wholly insufficient to anticipate this novel and useful computer system. In the event that the rejection of the claims including the computer system, is maintained, specific prior art references are respectfully requested. It is believed that the arrangement involving display of the binder cover and frame, together with preparing a visual insert are novel and unobvious and clearly merit patent coverage.

#### **COMBINING REFERENCES**

Attention is further directed to the recent decision of the Court of Appeals for the Federal Circuit concerning combining references without strong teachings to combine references, see McGinley v. Franklin Sports, Inc., 60 USPQ 1001, Fed. Cir. 2001. In the present case, where the Walters patent involves a conventional opaque front cover and an expansion pocket, there is no teaching to combine it with the Yamamoto patent, to produce applicants’ unique claimed construction. Particularly, where it is only the applicants who conceived the need for a visual insert pocket which was easier to use, absent this perceived need, there was no reason to make the combination.

It is also noted that the claims have been amended to specify that the inner pocket is firmly bonded to the transparent cover to further distinguish from the

expansion construction of Walters which relatively loosely holds a large number of sheets of paper. Also, claim 29 goes one step further and specifies that the edge bonding zone is free of expansion structure.

Although Walters does state that "Expansion Cover member can also be sized as desired", he only discloses partial pockets as specific embodiments, and has no disclosure or suggestion for combining with a transparent cover. Further, with the stack of papers intended for placement in the expansion pocket, Walters teaches away from the use of a visual insert matched to a front cover frame.

### **CHANGE OF MATERIAL**

On page 7 of the Office Action, it is stated that changing material, opaque to transparent for example, would not be inventive. While cases such as that cited in the Office Action are known, there are many cases dating back to the earliest U.S. Supreme Court patent law cases which enunciate the principle that "Substitution of materials may constitute invention where it produces a new mode of operation or results in a new function"; see *Potts v. Creager*, 155 US 597; *Edison Electric Light Co. v. U.S. Electric Lighting Co.*, 32 Fed. 300. In the present case, changing the Walters opaque binder to transparent causes a new mode of operation, solving a difficult problem which only the inventors recognized.

### **COMMERCIAL SUCCESS**

Concerning the present invention, it is not a mere "paper" invention, but has been marketed and enjoys significant commercial success. In this regard, attention is respectfully directed to paragraph No. 4 of the Declaration of Jay Sato showing the very substantial initial sales, and customer interest.

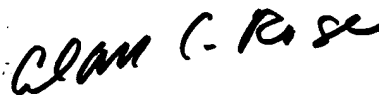
In the event that this patent application is not considered to be entirely in condition for allowance, it would be appreciated if the Examiner would grant a telephone interview. Applicant's attorney would prefer a personal interview with the Examiner, but is located in Los Angeles so that a personal interview is not practical. Accordingly, a comparable telephone interview would be appreciated if the application is not considered allowable. Thank you.

The Commissioner is hereby authorized to charge any additional filing fees under 37 C.F.R. § 1.16, or application processing fees under 37 C.F.R. § 1.17, which may be required now or during the pendency of this application, or credit any overpayment to Account No. 16-2230. A duplicate copy of this sheet is enclosed.

It is noted that one extra dependent claim has been added bringing the total number of claims to 19. applicant is a large entity. Authorization is hereby given to charge the cost of the extra independent claim and any additional charges, to Deposit Account No. 16-2230.

In closing, in view of the foregoing points and authorities, an early Notice of Allowance is believed to be clearly in order and is solicited.

Respectfully submitted,



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Enclosed:

- Exhibit A (Original Declaration)
- Exhibit B (Declaration Under Rule 131)
- Exhibit C (In re Lee decision)
- Exhibit D (Decision in McGinley v. Franklin Sports, Inc.)